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7097-060826

VIA FIRST CLASS MAIL

Honorable James H. Welsh
Commissioner
Louisiana Office of Conservation
317 North Third Street
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

Re: Application for Extension of Commingling Authority for Onshore Production
Using Continuous Metering (Existing Facility)
REQUEST FOR HEARING ON CONTESTED MATTER
AUS C RA SUQ; Crowell No. 17-1 Well
AUC C RA SUS; Crowell No. 28-1
West Cheneyville Commingling Facility No. 1 (9071)
West Cheneyville Field
Rapides and Evangeline Parishes, Louisiana
Applicant: Chesapeake Operating, Inc.

Dear Commissioner Welsh:

An application now pending was originally made on behalf of **CHESAPEAKE OPERATING, INC.** ("Chesapeake") for approval of the commingling of production from an additional drilling and production unit, the AUS C RA SUQ, proposed to be flow into the captioned facility. Three individuals filed objection letters to that application, who on best information and belief, are NOT interested parties in either of the captioned units. To resolve this matter, Chesapeake now seeks a public hearing for the approval to commingle production from the AUS C RA SUQ as contested, as well as an additional unit that is to come on line, the AUS C RA SUS, both in West Cheneyville Field.

Thus, as per this application, Chesapeake proposes to flow production from the AUS C RA SUQ and the AUS C RA SUS into to the captioned existing facility for commingling, both from the Austin Chalk Sand, Reservoir A, in the West Cheneyville Field, Rapides and

Evangeline Parishes, Louisiana, said units located in the latter parish. Pursuant to Statewide Order 29-D-1 Chesapeake submits this application requesting that a public hearing be set to consider approval of commingling of onshore production from said unit by continuous metering. Chesapeake will forward a copy of this application to all interested parties, and respectfully requests that notice be issued in this matter, which notice Applicant will provide to all interested parties in production from said unit.

Initial authority for commingling of production into the subject facility, with fair allocation to be accomplished by well test, was originally granted by Order No. 1415-1, effective July 22, 1997.

In order to facilitate the grant of said extension of authority for the commingling of gas and liquid hydrocarbons produced from the AUS C RA SUQ in the Crowell No. 17-1 Unit Well, and the AUS C RA SUS in the Crowell No. 28-1 Unit Well, by the use of continuous metering for the allocation of production to said units and wells and other units and wells currently producing into said facility, please find enclosed:

1. A field area plat depicting the location of the wells and units currently producing into the commingling facility, and the well and unit from which production is proposed to be added thereto;
2. A detailed narrative explanation of the manner in which commingling will be accomplished for the facility with the proposed additional units to be added;
3. A schematic block flow diagram of the subject commingling facility as reconfigured as proposed;
4. A list of the interested parties entitled to share in production from the units that are the subject of this application;
5. An equity statement signed by a qualified technical representative for Applicant verifying that the proposed configuration of the subject facility will assure fair allocation of production among all interested parties; and,
6. Our firm's check on behalf of the applicant, Chesapeake Operating, Inc., in the amount of \$755.00 made payable to the Office of Conservation and representing the required hearing application fee.

Chesapeake as applicant, and owner and operator of the West Cheneyville Commingling Facility No.1 (9071) in the West Cheneyville Field, will accomplish commingling and allocation in the manner set forth in the detailed narrative explanation, with reference to and as shown on the schematic flow diagram of the subject commingling facility, each attached hereto.

It is the opinion of Chesapeake that the extension of authority for commingling as proposed herein will provide reasonably accurate measurement, will not create inequities, and that the owner of any interest will have the opportunity to recover his just and equitable share of production or revenues accruing from the units and wells under consideration.

Therefore, Chesapeake requests that this matter be set for public hearing after due legal notice to consider approval hereof. Enclosed is a list of the names and addresses of the Interested Owners, Interested Parties and Represented Parties to whom notice of same will be forwarded. Notice will also be forwarded to the individual contestants to the prior application filed in this matter, but forwarding of same is not an admission by applicant that said contestants have standing to legally contest commingling of production from the subject units in which they do not hold an interest. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation; however, the list of parties will be provided to any party requesting a copy of same. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Interested Parties and Represented Parties, as listed.

If any party desires a copy of the interested party list pursuant to this application, they may contact undersigned counsel at the captioned address and same will be provided at the requesting party's expense.

Sincerely,



Brent G. Sonnier

BGS (Enclosures)

Cc: Mr. Richard Hudson, District Manager,
Louisiana Office of Conservation, Lafayette Office

Mr. Gary S. Dunlap, Chesapeake Operating, Inc.
Mr. Randy Gassaway, Chesapeake Operating, Inc.

All interested parties

Application contestants